



**Development Global Competitive Advantage at PT Tiphone Mobile Indonesia, Tbk Case Study using 4C's Framework Model**

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**ABSTRACT**

This paper discusses about the application of global competitive advantage with the 4C's Framework model (Hao Ma, 2004) that consists of Creation, Competition, Cooperation and Co-option variables in PT Tiphone Mobile Indonesia, Tbk.. The research method used is case study and SWOT Analysis method. The research provides a managerial impact to the company that is under study, namely the implementation of 4C's Framework model so the company has the advantage of competing globally. The Company achieves global competitive advantage based on ownership-based, access-based, and proficiency-based through the implementation of Creation and Innovation, Competition, Cooperation, and Co-option.

Keywords - 4C's framework, EFAS, IFAS, global competitive advantage, SWOT

**I. RESEARCH BACKGROUND**

The digital era is a perfect description to describe the current state of Indonesia. Digital development has encouraged the rapid development of technology, even today's society is inseparable from the need for technology. The spread of technology and information has currently entered into all sectors of society covering economic, social, cultural, and community sectors.

Along with the development of data service and internet, Indonesia becomes a country which has a rapid growth of information technology. In addition to consisting of 250 million people, Indonesia becomes a big market and opportunity for companies engaged in technology. Emarketer, an institution in the field of digital marketing research, estimates that active smartphone users reach more than 100 million users in Indonesia in 2018. Such a great number of active users make Indonesia occupy the highest fourth position in the world after China, India and America ([www.kominfo.go.id](http://www.kominfo.go.id), 2015).

Such rapid changes in the technological environment resulted in increasingly fierce competition. This demands companies to develop all resources they own to be able to compete and meet all forms of change demanded to bring positive impact on companies earning.

Competitive advantage is a form of strategy to help the company maintain its survival (Day & Wensley, 1988). In a competitive market, the performance capability generated by the company, especially in financial performance, highly depends on its competitive advantages.

A company is said to have a competitive advantage when it has something that a competitor does not, does something better than a competitor does, or is capable of doing something which other companies cannot. Operational effectiveness is an important



element in a strategic management, with a focus on the competitive advantage. Operational effectiveness aims to show something better than that of a competitor does (Porter, 1996: 62). If an operational effectiveness is well combined with the strategy, it will provide more benefits for the company. The company also needs to do three things to add to the essence of the company's strategy. The first is variety-based positioning, an activity based on a variety of industrial products and services. The second is the needs-based positioning, things based on specific customers' needs. The third is access-based positioning, an activity based on customers' segmentation that has a different access (Porter, 1996: 68)

To enable the company to survive in the market, the company's competitive advantage must be sustainable from time to time. It must even continue to increase to become a global competitive advantage. A competitive advantage. This means that forming excellence or advantage in a competition is not a final goal, but only a means to achieve corporate goals. This sustainable advantage is certainly not a guarantee for the company in the future as the element of competitors exists. Competitors will do a 'straddling', a process where competitors will try to enter and imitate the benefits owned by the company (Porter (1996: 68).

All sectors entered by a company need a global competitive advantage, let say in a retail and distribution industry. Retail is a series of business activities to increase the value of goods and services sold to consumers for personal or household consumption (according to Levy and Weitz, 2001: 8). Henceforth, the consumers who become the target of retailing are the final consumers who buy their products for their own consumption. Meanwhile, distribution is a group of organizations that makes a process of distribution activities of goods or services which are readily used or consumed by consumers (Kotler, 1997)

PT. Tiphone Mobile Indonesia, Tbk., as one of companies engaged in the retail and distribution sectors, is very aware of the challenges faced in today's global competition. The efforts made by PT. Tiphone Mobile Indonesia, Tbk. can be seen from strategic decisions taken to support the improvement of the company's performance to always be the best. To be continuously able to compete and to be the best company, PT. Tiphone Mobile Indonesia, Tbk. needs to pay attention to its competitiveness. One way that the company can do is to maximize its existing resources. Therefore, this study aims to find the company's global competitive advantages based on the 4Cs framework.

## II. REVIEW OF THE LITERATURE

According to Popy Rufaidah in her book entitled Management Strategy (2014), when a company is able to create a better economic value than its competitors do, then the company has already had its competitiveness. On this basis that the company is expected to be capable of seeking, developing, adding, and maintaining competencies it owns to increase its competitiveness.

### **Competitive Advantage**

Competitive advantage (Porter 1986: 162) is the ability of a company to gain an economic advantage over the profits which is able to be achieved by its competitors in the same industry. While Grant (1999) defines that a competitive advantage is when two firms compete with the same market and one company has a competitive advantage over another, and the company's advantage is earned from high profits. According to Kotler and Armstrong (2001: 322), a competitive advantage is an advantage over competitors obtained by offering more value to consumers, either by lowering prices or by providing more benefits that support more expensive pricing. Based on the above experts' opinions, it can be concluded that the competitive advantage is a unique competency owned by companies that are not owned by competitors, so that competence can attract the attention of consumers. Such this more attractive value a company has is the reason that consumers are interested in the company and consider that the company is better than other similar companies.

According to Clow and Vorhies (1993), as a service-based company, the quality of service it generates is the key to increasing competitive advantage and long-term benefits by providing services that are intangible to meet consumers' expectations. The company's main focus is to increase consumers' satisfaction which results in repeated purchases by creating a positive gap between the expectations and evaluation of the services received by the customers.

Measuring consumers' expectations is done by looking at the customers' satisfaction or dissatisfaction. The components of consumers' expectations and service quality include:

- Implicit service cues made by the company, such as tangibles of price and factor focussing on the level of service provided (Zeitham et al., 1991)

- Image from consumers about service providers (Gronroos, 1984)
- Image to other companies (Cardozo, 1975)

Companies that consistently show good performance will survive in the market. Competitive advantage can be measured based on customer expectations. For the satisfied consumers, the gap between expectations and results received will be smaller than those who are not satisfied.

According to Farrell, Hitchens, and Moffat (1993), the Source of Competitive Advantage on Business Services on an economies scale is based on:

The scope of the economy, it is done by dividing up two or more production lines or services. The three main types of economic scope that service firms can share are; physical assets or reputation, then relationships with external parties (such as customers, suppliers, etc.), the latter is sharing knowledge in different markets.

Exclusive proprietary technology, with the technology owned by the company, it can, in the short term, create barriers for competitors to enter the market and create competitive advantage for the company itself.

Service differentiation. Established companies can identify brand, reputation, and personal relationships with the customers, based on word of mouth, and other services. This generated differentiation can create an obstacle for the competitors to spend their fund to overcome the already-established loyalty (Porter, 1980). Service upgrades can add value to the company. Differentiation can create customers' loyalty, reduce customers' sensitivity to prices and protect businesses from competitive forces that reduce the margins of price and cost.

Reputation as a differentiation source. There are a lot of companies which are successful to build a good reputation to compete in the market. This reputation generates a profit that exceeds the amount which is going to be earned with the same capability resulting in a competitive advantage for the company. This reputation is difficult to imitate and it then forms the brand and goodwill for the company.

Price. The need to maintain a reputation or a quality service image creates a price issue, where service firms follow a flexible pricing policy depending on the firm's perception of its market segment, competitive position, and client number.

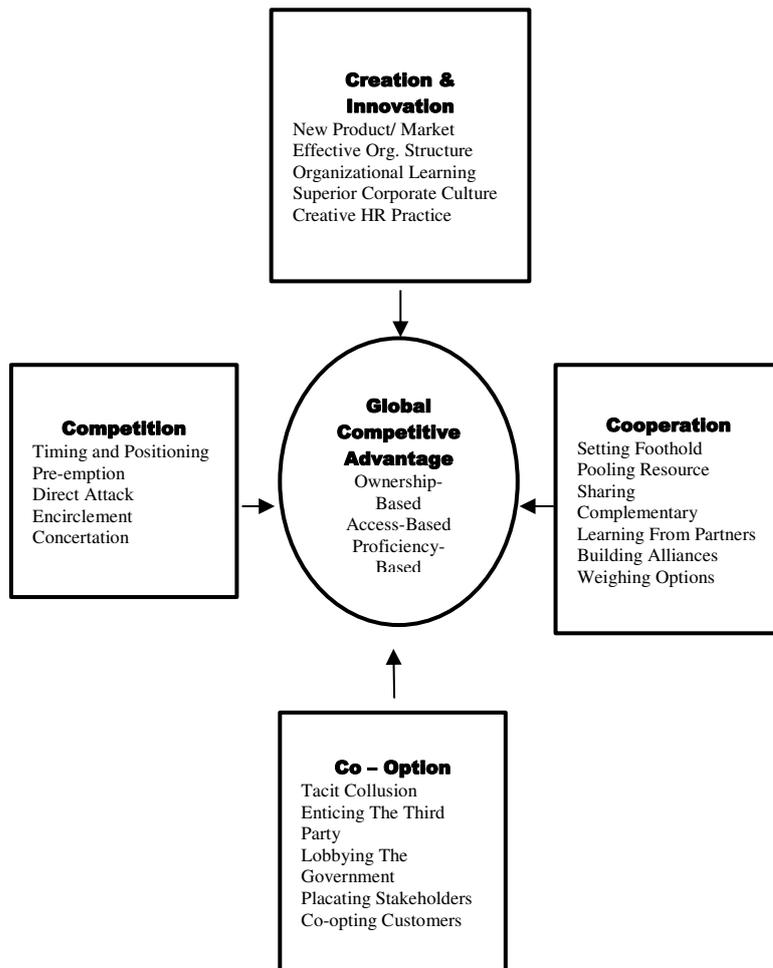
Life cycle, experience and market share based on performance. Performance determinants in the goods market, such as life cycle, experience, and market share have reduced benefits when applied to services (Carman and Langerad, 1980). This cycle is different when it is applied to a service company. Companies in the field of services enjoy the economic benefits from the learning of the operation of single facilities or multisite facilities (Sasser et al., 1978)

Network Effects. Another source of competitive advantage is the network effect, as the broader the network, the more it results in appeal for customers and generates competitive advantage.

#### **4Cs Framework**

Hao Ma stated that to achieve the Global Competitive Advantage for the company, it can be gained through four common variables that form a framework. These factors include Creation and Innovation, Competition, Cooperation, and Co-option.

Global competitive advantage are generally divided into three types, they are; Ownership-based, Access-based, and Proficiency-based (Ma, 1999). Companies can achieve competitive advantage through ownership or control of valuable assets, resources (Porter, 1980), unique resources (Barney, 1991), or reputation (Hall, 1992). Furthermore, competitive advantage can be achieved by establishing a strong path from the production factor market to goods or service market (Barney, 1986a, Lieberman and Montgomery, 1988). Moreover, companies can enjoy competitive advantage through good knowledge, competence or capability in leading and managing business activities (Nonaka, 1991; Prahalad and Hamel, 1990; Teece et al., 1997; Winter, 1987).



**4C's Framework (Source: Hao Ma, 2004)**

Competitive advantage can develop or disappear depending on two factors, managerial activities and strategic maneuverings. Managerial activities include the company's activities to focus on internal activities for the company itself. The frameworks of company's managerial activities include Creation and Innovation (Hamel and Prahalad, 1989; Schumpeter, 1934, 1950). While in the framework of strategic maneuver, competition category is discussed (Chen, 1996; D'Aveni, 1994; Porter, 1980; Smith et al., 1992), Cooperation (Contractor and Lorange, 1998; dyer and Singh, 1998; Hamel et al., 1989), and Co-option (Bailey, 1997; Baron, 1995; Doh, 2000).

The first framework is Creation and Innovation. Innovation is the central of strategy and entrepreneurship thereby creating a competitive advantage for the company. Competitive advantage can occur if the management facilitates innovation (Hamel and Prahalad, 1989), efficiency (Williamson, 1991), and learning (Senge, 1990). Competitive advantages are achieved through creation and innovation as they relate to learning, knowledge creation, competence, and technical and organizational development abilities. The elements of creation and innovation according to Hao Ma in the journal of "Global Competitive Advantage: Creation, Competition, Cooperation, and Co-option", 2004 are: (1) Creating new product / market. To win the competition, then the company must own the best strategy. Companies can gain benefit by having creativity in the development of new resources, capabilities, products, and markets that enable the company to be fundamentally better than competitors (Hamel and Prahalad, 1989; Lieberman and Montgomery, 1988). (2) Innovative Organizational Structure. The organizational structure designed should enable the company to achieve maximum performance in coordination and integration. (3) Organizational Learning. It is a collective process that involves everyone in the company to generate, collect, and apply knowledge to improve the effectiveness, efficiency, and creativity within the company. (4) Superior Corporate Culture. The corporate culture is a shared belief and a valued system embedded with norms and rules that guide and regulate the behavior of people within the organization (Deal and Kennedy, 1982). A superior corporate culture is often something special and difficult to imitate, giving it a competitive edge to the company (Barney, 1986b). (5) Creative Human Resources Practice. It is

performed through the involvement of skilled, experienced, and dedicated workers to provide a sustainable competitive advantage in intellectually capital accumulation and productivity improvement (Pfeffer, 1994; Reicheld, 1996; Stewart, 1997).

The second framework is the competition, an action and response (Chen and Miller, 1994; Smith et al., 1992), or prevention, attack and retaliation, in activities against competitors to fight for positions, defeating rivals, and getting resources or access (Chen dan Miller, 1994; Ghemawat, 1991; Porter, 1980). The elements of competition according to Hao Ma in the journal of "Global Competitive Advantage: Creation, Competition, Cooperation, and Co-option", 2004) are: (1) Timing and Positioning. Companies may appear as first mover or late mover. When acting as a first mover, the company can enjoy excellence in technology leadership, experience base, assets and position in the market, customer awareness and loyalty (Lieberman and Montgomery, 1998; Porter, 1985). As a late mover, the company's profits can mimic the technology thereby lowering research costs, minimizing risk by waiting until the market is fully prepared, and taking advantage of market segments ignored by the first mover. (2) Pre-emption, it is to focusing the company to limit the choice of space to competitors or eliminate it by limiting, reducing, or neutralizing competitors' ability to create customers' value. (3) Direct Attack. It is a direct way of competing face-to-face with competitors, defeat all the competitors in a different way (Wind, 1997). (4) Flanking Attack. It is a competitive way of attacking from the side where competitors are unlikely to retaliate because of their inability, the segment being attacked is considered unimportant, or ineffective in the possibility of counterattack of competitors (D'Aveni, 1994). (5) Encirclement. Maneuvers in attacking competitors are done by building the strength in neighboring industries or geographical areas around the defenses of its competitors (Ghemawat, 1991). (6) Concentration. It is a main principle to achieve competitive advantage in the competition by centralizing enterprise resources on every corner.

The third framework is Cooperation, which is the initiation and participation in arranging a collaboration with others in the corporate environment. The goal is to gain an access to the customers, to complement resources and capabilities, to gather technical and organizational knowledge, and economic benefits. The elements contained in Cooperation according to Hao Ma in the journal of "Global Competitive Advantage: Creation, Competition, Cooperation, and Co-option", 2004, are: (1) Setting Foothold, it is to set a foothold in the targeted market by cooperating with partners. (2) Pooling Resources, it unites resources to solve problems that the company can not solve alone. It can be done through the aggregation of strengths by companies with resource profiles and market activities of similar products. (3) Sharing Complementarity, done by companies with complementary resources that together handle large projects of interest. (4) Learning from Partner, it is to arrange collaboration for learning (Hamel et al., 1989). The most important processes and capabilities in creating customer value lie at the core of corporate strategy. Companies can create competitive advantage when they can learn from peers and competitors more quickly. (5) Building Alliances. Companies can generate profits if it can be allied with a particular company against the same competitor (Gulati, 1998). This alliance can occur because of the changing interests of the various companies involved in the business. (6) Weighing Option, it is done by weighing various options across multiple alliances. Companies often collaborate with many partners or corporated with strategic alliances to ensure the company's future strength (Gulati, 1998; Gulati and Nohria, 1992). This alliance gives both companies a competitive advantage over competitors who rely on only one supplier source.

The last framework is the Co-option, which aims to align the interests of others with the company to create a competitive advantage by opening opportunities and eliminating external barriers or neutralizing threats. It is carried out with a third party or colluding with a rival company secretly to connect with the customers or other competitors (Porter, 1980). This strategy is moresubtle, informal, implicit, sometimes illegal compared to the cooperative strategy. The elements of the co-option framework according to Hao Ma in the journal "Global Competitive Advantage: Creation, Competition, Cooperation, and Co-option", 2004 are: (1) Tacit Collusion, where companies often secretly practice to stabilize the overall relationship of competition and to ensure a competitive advantage over competitors (Ma, 1998). (2) Enticiting the Third Party. When two companies compete against each other, support from third parties, such as component providers, complementary or supportive products, often plays an important role in providing advantage for the company. By attracting these third parties, the company can produce a competitive advantage. (3) Lobbying the Government. A company can lobby the government, for example, to encourage more favorable trade policies or tax credits, to get permission to enter previously-prohibited industries, to use the government to press rivals to gain better access to markets (Bailey 1997; D'Aveni 1994 ). (4) Placating Stakeholder, placing

influential stakeholders for companies through formal or informal institutions in a country, such as social, cultural, religious, and other institutions. (5) Co-opting Customer. Companies can generate competitive advantage by combining customers and communities through non-traditional and non-economic marketing (Baron, 1995), for example through environmental issues and membership programs. This suggests that companies and competitors should focus more on better service, quality and product choices.

### **III. METHODS ANALYSIS**

This study applied case study and SWOT analysis. According to Bogda & Bikien (1982) case studies are a detailed test of a single background or one person. Ary, Jacob and Razavieh (1985) explained that in case studies, the research should try to test the unit or individual in depth. Surakhrnad (1982) stated that a case study approach is an approach by focusing on an intensive and detailed case. While Yin (2003) provides more technical limitations with an emphasis on its characteristic.

We can understand what boundaries include in case study research methods. The limits include two things: (1) first, the target of the research can be human, event, background, and document; (2) and secondly, the targets are examined in depth as a totality according to their respective backgrounds or contexts in order to understand the various links between the variables.

A case study (Yin, 2003) is one of social science research methods. In general, a case study is a study about several social units (such as corporations or divisions within a company) that discusses about the question of the actual business, as a form of determining what factors will result in a success or failure in an organization.

The next research method is SWOT analysis. SWOT analysis aims to identify in depth various systematic factors to formulate a corporate strategy. SWOT analysis is based on a relationship or interaction between internal elements like strengths and weaknesses and external elements of opportunity and threat (Rangkuti, 2015).

The case study method and SWOT analysis used are a study with in-depth study, to describe the company's global competitive advantage. The presentation of the first data is done by analyzing the company's competitive advantages based on strategic strengths and weaknesses as well as the threats and opportunities the company faces. The results of the analysis are outlined in IFAS and EFAS analyses. The second is through the application of the 4Cs framework model with the Creation and Innovation, Competition, Cooperation, Co-option variables. This case study focuses on PT. Tiphone Mobile Indonesia, Tbk. engaged in the retail and distribution sectors. The purpose of this research is to investigate the global competitive advantage which is owned by the company.

### **IV. RESULTS AND DISCUSSION**

#### **Competitive Advantage Analysis**

According to a book entitled Strategic Management (Popy Rufaidah, 2014), the company's competitive advantage can be explored through performance analysis based on financial statements, internal environmental analysis and external environmental analysis. The company's performance analysis begins with assessing the financial condition of the past, present and future. The goal is to look at the overall condition of the company. After that, the company can map out what are the advantages and disadvantages of the internal environment and also map the opportunities and threats that may be faced based on external environment. The main purpose of this analysis is to explore and to apply the competitiveness (competitive advantage) owned by the company. Companies are said to have a competitive advantage when it makes a better economic value than their competitors. The economic value here is the difference between the perceived benefit of the consumers of the purchased product or service and the total economic cost of selling a product or service (Popy Rufaidah, 2014).

#### **Analysis Of The Finance Performance**

Based on the analysis of the company's financial statements, PT. Tiphone Mobile Indonesia, Tbk., is overall considered to be quite good, as it can increase its profit from 2015 to 2016. First based on analysis of Liquidity Ratio of the company, it is found an increase in current ratio of 18.38%, which means that the short-term liabilities can be paid by the company by using the company's current assets and it is increasing. The company's cash turnover also shows an increase of 36.08% which means the company's is able to generate profits by using

cash. Nevertheless, the company's cash ratio decreases by 8.62%, which means that the company's ability to pay off debts using cash has decreased from 2015

Second based on the Leverage ratio analysis, there is an increase of Debt to Asset Ratio which is not too significant at 0.78% which indicates higher asset financing through and it is disadvantageous for the company. Based on the Debt to Equity Ratio, there was an increase of 2.02%, which means the increase in capital is still smaller than that of in debt and financial leverage borne by the company is getting higher.

Third based on the analysis of Activity Ratio, receivable turnover ratio and inventory turnover ratio decreases by 9.83% and 19.24%, is respectively indicating less efficient use of receivables and inventories in generating sales, while working capital turnover ratio and total asset turnover ratio experiences an increase of 1.62% and 27.55%, respectively, which means the use of working capital and total assets is better to generate sales in the company.

Fourth based on Profitability Ratio, the increase occurs in all ratios. These results show the company's ability to increase profits, evidently seen between 2015 and 2016 that there is an increase. Gross Profit Margin Ratio increases by 5.56% which means margin to cover the load and generate better profit. Return on investment and return on equity increased by 5.71% and 14.63% respectively, which means the use of more efficient assets, and the increasingly effective use of capital in generating profits.

### **Internal Factor Analysis (IFAS)**

The company's internal environment is analyzed using a resource-based approach, through its business functions that include marketing, finance, human resources and operations. Through this business function that the company can measure its ability to explore the resources it owns. The company must also be able to identify the distinctive competence that is the uniqueness of corporate competence that differentiates it from competitors (Popy Rufaidah, 2014).

The strength of internal factors of PT. Tiphone Mobile Indonesia is firstly lied on the good quality and up to date products. The products sold by the company are those which have good quality, latest technology and always keep abreast of market desire. The products offered are derived from well-known brands whose quality can not be doubted in the market, such as Samsung, LG, Apple and Blackberry. (Annual Report of PT. Tiphone Mobile Indonesia, Tbk).

The second strength is that the company owns 250,000 active sellers, 400 outlets / stores, 200 branches and 96 service stations spread all over Indonesia from Sumatra Island to Papua. This will make it easier for consumers to get the desired products.

The third strength is that the uses a concept of "one stop shopping" that allows consumers to shop all their needs and necessities of telecommunications equipment in one place.

The fourth strength is that the company uses integrated and centralized information systems for all regional sales reports, annual budgeting and profit analysis and it also provides information on marketing, operations, human resources and finance systems to be discussed in corporate meetings.

Finally, the company's fifth internal strength lies in the capital in which the company gets capital from the four largest shareholders; the first is PT. Upaya Cipta Sejahtera, the second is PT. Esa Utama Inti Peersada, the third is PT. PINS Indonesia and the fourth is the society (Annual Report PT. Tiphone Mobile Indonesia, Tbk).

The weakness of the company's internal factors lies on: (1) the absence of a special agreement bound to the manufacturer of the tiphone brand in China makes PT. Tiphone Mobile Indonesia, Tbk can not take any decision in the production process; (2) the absence of an official social media account of the company makes information difficult to obtain and there is no two-way relationship with the consumer as a form of interaction; (3) a great number of branch offices, outlets and active resellers of the company make the distribution of infrastructure uneven which means that some places have a modern and sophisticated infrastructure while other places don't; (4) The weakness of the last internal factor is that the company only acts as a distributor and for the manufacturer of handphone Tiphone-branded do not belong to the company, the company only cooperates with the producer in China in the production of Tiphone handphone.

### **External Factor Analysis**

The external environment factor includes an understanding of various factors outside the company. This can be a strategic opportunity as well as a strategic threat for the company. In the analysis of the external environment to the macro environment that is difficult to be controlled by the company is often called the term remote environment. This macro

environmental analysis covers the political, economic, social and cultural environment, as well as technology or commonly known as PEST analysis (Popy Rufaidah, 2014).

The first strategic opportunity component is the Law about the repatriation of tax amnesty funds which has a positive impact on the economy of the country, where the existence of such Law can push the growth rate of the country's economy. Indirectly people who have funds abroad should withdraw and save funds in the country in order to obtain tax forgiveness. This can lead to an increase in public purchasing power (annual report of PT Tiphone Mobile Indonesia, Tbk 2016).

The second strategic opportunity of the company is Bank Indonesia, which sets the policy to lower the interest rate in 2016 and it becomes one of the opportunities for the company to run its business activities, especially related to the increase of the company's sales, because with the decrease of the interest rate can increase the sales, especially the credit sales. (bi.go.id; 2017)

The third strategic opportunity for the company is that the president issued the Presidential Policy Package on economic sector volume I. XIV which helps to improve the investment climate and economic conditions so that the company can improve its performance due to the emergence of easiness provided by the government in the field of economy such as improving the facilities and infrastructure, the ease of investment and bureaucracy, and the provision of energy resources (Annual report PT Tiphone Mobile Indonesia , Tbk 2016).

The fourth component of strategic opportunity is the lifestyle of urban people who always use mobile phones. According to market research of Growth of Knowledge, 61% of Indonesians own a smartphone and use it averagely 5.5 hours per day. (www.rappler.com, 2015).

The sixth strategic opportunity is the increase of the productive age. In accordance to what Sri Mulyani said that Indonesia has an opportunity to accelerate economic growth with the decrease in dependency ratio. (cpps.ugm.ac.id, 2016).

The seventh strategic opportunity is the fact that half of the Indonesian population is less than 30 years old. Based on a study, 61% of smartphone users in Indonesia aged less than 30 years. The study conducted by Vserv, a smart data platform used for mobile marketing and e-commerce, released the latest data on smartphone usage in Indonesia for 2015 (<https://arenalte.com>, 2016).

The eighth strategic opportunity is the existence of CSR program that is useful in the field of environmental conservation, economic empowerment, education and community, safety programs and product responsibilities which can be a strategic opportunity if the company is able to apply it properly and openly (Annual Report PT Tiphone Mobile Indonesia, Tbk, 2016).

The ninth strategic opportunity is that the higher level of life expectancy of Indonesian society. This will allow them to keep up with technological developments and will need the technology and sustainably update the technology they use (<https://economy.okezone.com>, 2017).

The tenth strategic opportunity is that the lack of confidence in the quality of the domestic product can increase the sales of foreign products sold by the company (industri.bisnis.com, 2017).

The eleventh strategic opportunity is that the existence of the Rights of Intellectual Property which guarantees matters relating to the activities of the company that has been patented.

The twelfth strategic opportunity is that the rapid innovation of smartphone (<https://iwic.indosatooredoo.com/>, 2015).

The thirteenth strategic opportunity is the preservation of the environment on renewable natural resources, through the development of EDS (Ecology Dry System) technology to produce supporting goods from products sold by companies, such as cardboard boxes, paper, etc. (<http://www.antaraneews.com>, 2014).

The fourteenth strategic opportunity is that the case of HTC smartphone brand acquisition by Google can be a strategic opportunity for the company. This is because the company's position in cooperation with HTC to sell their products. Meanwhile, Google is a giant technology, one of the operating systems of android on a smartphone is a product of google. So if there's renewable features of android operating system, smartphone products under Google protection will be prioritized (www.tabloidpalsa.co.id, 2017).

The next is the component that becomes a strategic threat for the company. The first strategic threat is the existence of Law no. 7 of 2014 on trade where one of the points is about the protection of domestic products that can hinder the entry of imported products into the country.

The second strategic threat is the high minimum regional wage which forces the company to spend more to pay employee salaries (tradingeconomics.com; 2017).

The third strategic threat is the lifestyle of children who have been using gadgets since childhood that can cause bad effects for them such as eye damage, lack of socializing with peers, and behavioral materials so that children tend to be more passive (www.liputan6.com, 2016)

The fourth strategic threat is the higher level of nationalism with the campaign of "I love Indonesia product". This encourages Indonesians to prefer buying products with Indonesia brands to foreign products. This campaign is also supported by Indonesian government, such as the Ministry of Trade and Ministry of Industry (bisnis.liputan6.com, 2017).

The fifth strategic threat is plagiarism that can be done by a competitor company (www.hki.co.id, 2017).

The sixth strategic threat is the high rainfall forecast from BMKG in several regions across Indonesia which can disrupt the company's distribution channels (<http://www.bmkg.go.id>, 2017).

The seventh strategic threat is the use of gold on simcards and mobile phones. As the availability of gold diminishes, it makes the gold price rise which results in the high cost of gold production (<http://tekno.kompas.com>, 2017).

IFAS score worth 3.76 means that the company market growth is in a good condition and profitable for the company. This score indicates that the company is still able to continue to develop their market growth. While the EFAS score of 3.06 indicates that the current market share is in good condition, this score tells that in the competition with competitors, the company has a large market share, although it has not yet become the biggest one at the moment. IFAS and EFAS scores will be used to map the company's position in the competitive position and used to formulate strategies using BCG Matrix and GE Matrices in accordance with the competencies of the company.

IFAS score 3.76 and EFAS 3.06 on BCG Matrices indicate that the firm's position is in the "Star quadrant (growth strategy)". This means that the business of the company is in good condition which is supported by the performance of good financial statements as well. This position also means that the products and the services offered by the company are in demand by the market. In these circumstances, the company becomes one of the companies dominating the market.

While in GE Matrix with IFAS and EFAS score as above, it shows that the company is in quadrant position "Growth (Concentration Via Horizontal Integration)". This means the company does the growth through the addition of vertically related business which means that the business line formed by the company is still in contact with the company's main business in the field of telecommunication especially smartphones and voucher. Vertical integration is done in two ways by the company, they are; backward integration with the main focus on suppliers, and future integration by concentrating on distributors to run effectively and efficiently.

The company's position in the BCG Matrix and GE Matrix based on IFAS and EFAS scores is the basis for the implementation of 4C's Frame Work conducted by the company as a measure of the achievement of Global Competitive Advantage.

#### **4Cs Framework Analysis**

The first 4C Framework analysis is Creation and Inovation variables. The first indicator to be analyzed is the new product or market. PT. Tiphone Mobile Indonesia, Tbk. is looking for new markets in cooperation with PT. Dompot Anak Bangsa (Go-jek) to sell Telkomsel voucher. The target of this collaboration is Telkomsel's consumers who use Go-Jek application through Go-Pulsa feature. In addition, it is expected that this program can increase the revenue for drivers of Go-jek (Annual Report PT Tiphone Mobile Indonesia, Tbk .; 2016).

The second indicator is the effective organizational structure. Organizational structure of PT. Tiphone Mobile Indonesia, Tbk. is effective because it can develop business activities, one of the results is the increase of the company's revenues and profits from 2015 to 2016. This can be achieved because of the synergy between the board of commissioners and the board of directors in running their business, one of them by holding a joint meeting between the board of commissioners and the board of directors in the supervisory function of the board of commissioners so that the board of directors can achieve the targets set by the company (Annual Report PT Tiphone Mobile Indonesia, Tbk .; 2016).

The third indicator is the organizational learning. The process of learning in the organization is in accordance with one of the company's culture – harmony- where the goal is to create harmony between employees and the corporate environment. The learning activities in this

organization are conducted by the company through training and competency improvement conducted by the company on a regular basis, so that the employees involved in the company's business activities can continuously improve their knowledge. Other activities undertaken by the company is by facilitating employees' gathering activities (Annual Report of PT. Tiphone Mobile Indonesia, Tbk., 2016).

The fourth indicator is the Superior Corporate Culture. The Corporate culture becomes its own advantages for the company compared to its competitors. The company's culture is Trust (trust each other), Innovative (stay innovative), Proud (Proud as employees), Harmony (intimacy, harmony, and peace), Optimistic (optimism), and Energetic (both heart and fun). These have been used as a guideline for all parties in the company in conducting every activity. With this strong corporate culture, the company can achieve better results (Annual Report PT Tiphone Mobile Indonesia, Tbk., 2016).

The fifth indicator is Creative Human Resources Practice. Human resource training is regularly conducted by companies to create superior and competent human resources in their respective fields in order to have competitive advantage. The training is comprehensive which means that all levels of human resources in the company have the same the opportunity to attend training in order to become a superior human resources in competition (Annual Report PT Tiphone Mobile Indonesia, Tbk., 2016).

The second analysis is the Competition variable. The first indicators analyzed are Timing and Positioning. PT. Tiphone Mobile Indonesia, Tbk. becomes a late mover in the retail market of electronic goods compared to its competitors, PT Erajaya Swasembada, Tbk. which was established in 1996 and PT. Skybee, Tbk. established in 1995. PT. Tiphone Mobile Indonesia was established in 2008 and becomes a late mover in the market. To create competitive advantage, the company acquires some companies that can develop tiphone market according to their respective fields, such as PT. Excel Utama Indonesia as XL voucher distributor, PT. Telesindo Shop in retail cellular phone, and PT. Setia Utama Service which is engaged in Mobile Phone Repair (Annual Report PT Tipnet Mobile Indonesia, Tbk 2016 Amnual Report PT. Erajaya Swasembada, Tbk 2016, PT. Skybee, Tbk 2016)

The second indicator is Pre-emption. The company does not take precautions against competitors to increase competitive advantage.

The third indicator is Direct Attack. The company direct attack against its competitors by opening outlets in the same place with its competitors, let say in the shopping centers. In addition to it, the company also opens Samsung Experience Shop to face competitors who have the same product (Annual Report PT Tiphone Mobile Indonesia, Tbk 2016, PT Erajaya Swasembada, Tbk 2016).

The fourth indicator is Flanking Attack. The company opens outlets in Papua, where the main competitor, PT. Erajaya Swasembada, Tbk., does not open outlets in the island (Annual Report PT Tiphone Mobile Indonesia, Tbk 2016, PT Erajaya Swasembada, Tbk 2016).

The fifth indicator is encirclement. The company does not engage in this activity against competitors.

The sixth indicator is concentration. To generate commercially viable advantages, the company focuses its resources on increasing revenues from voucher sales compared to cellular phone sales. This is due to the sale of vouchers from net sales of PT. Tiphone Mobile Indonesia, Tbk. of 80.3%, while at PT. Erajaya Swasembada, Tbk. only 7.2% (Annual Report of PT Tiphone Mobile Indonesia, Tbk 2016, PT Erajaya Swasembada, Tbk 2016).

The third analysis is the Cooperation variable. The first indicator analyzed in this framework is the foothold setting. The company established its footsteps in the retail and distribution sectors in cooperation with vendors and operators of cellular service providers, followed by acquiring companies related to repairs and service activities, as well as voucher and cellular phone sales, and lists its shares on the Indonesia Stock Exchange in 2012 to create competitive advantage (Annual Report of PT Tiphone Mobile Indonesia, Tbk., 2016).

The second indicator is pooling resources. In collecting resources, the company works with various parties to create excellence. One of examples is working with jobstreet.com to collect human resources, working with suppliers for Telkomsel vouchers, working with vendors for mobile phone products, for example with Samsung, LG, Apple and HTC (Annual Report PT Tiphone Mobile Indonesia, Tbk .; 2016).

The third indicator is sharing complementarity. The company does not share complementarity with other companies. In the field of communication technology, there is no activity done for sharing complementarity among companies.

The fourth indicator is Learning from Partners. As a result of the acquisition by PT. PINS, the company studied the distribution pattern of Telkomsel voucher from PT PINS and developed the pattern with reseller (Tiphone Mobile Indonesia, Tbk, 2016)

The fifth indicator is Building Alliances. The company builds alliances with business partners to create competitive advantage. One example is to build an alliance with Samsung to establish the largest Samsung Experience Shop, latest, and most complete in Indonesia. In addition, the company builds partnerships with PT. Dompot Anak Bangsa (Go-jek) and Telkomsel to distribute Telkomsel voucher voucher through Go-Jek with Go-pulsa facility. The company also builds an alliance with PT. BB Merah Putih as the blackberry license holder in Indonesia (Tiphone Mobile Indonesia Annual Report, Tbk., 2016).

The sixth indicator is the weighing option. The Company weighs several supplier partners to produce competitive advantage, including with Telkomsel, Samsung, Apple, LG, and HTC. For distributor partners, the company selects PT. Dompot Anak Bangsa as distributor through Go-Jek, using *Go-pulsa* application. In addition, another distributor partner weighed by the company is active resellers who works with the company.

The fourth analysis is the Co-option variable. The first indicator to be analyzed is tacit collusion. This activity is not done by the company in competing with other companies.

The second indicator is Enticing the Third Party. The company attracts third parties in order to increase the company's sales. Third parties here include resellers and parties associated with retail. With a third party withdrawn by the company, the company can create competitive advantage. The third indicator is lobbying the government. This is not done by the company.

The fourth indicator is placating stakeholders. Companies do not build relationships with influential formal and informal groups to produce competitive advantage.

The fifth indicator is co-opting customers. PT. Tiphone Mobile Indonesia, Tbk. guarantee the quality of their products sold to the public in accordance with the standards and their products do not harm the consumers. This is a tangible step that the company takes to improve its service and product quality. In addition, the company also opens consumers' services directly, via e-mail, or contact center. Another thing that the company does is selling warranty products and it provided an Indonesian language manual book so that it is easily understood by the customers and after-sales service throughout Indonesia.

Based on the variables found in the 4C's Framework model, the fifth variable is generated, it is a global competitive advantage which is divided into three types, they are; ownership-based, access-based, and proficiency-based. Ownership-based companies achieve from creation, competition, and cooperation to own or master valuable assets and resources. Access-based is achieved through cooperation and co-option to establish strong access from the input market to the goods and services market. Proficiency-based is achieved through the four variables in the 4C's Framework model to generate knowledge, competence, or capability in managing the business.

## **V. CONCLUSION**

PT Tiphone Mobile Indonesia, Tbk has a competitive advantage with all resources owned by the company today. The competitive advantages possessed have been realized with asset ownership through acquisitions, resource ownership through partnership, corporate reputation built on enterprise performance and relationships between companies and stakeholders. The company also establishes strong access through the distribution of companies involving outlets, shops, branch offices, and active resellers to reach the market. Moreover, the company can maintain its competitive advantage through good knowledge, competence or capability in the lead. Most of the implementation of 4C's Framework that has been done by PT. Tiphone Mobile Indonesia, Tbk proves that the company has a competitive advantage. Maintaining and enhancing the company's competitive advantage is not easy, because in the future the company will face challenges of rapid technological change affecting market demand and competitors' strategy to expand its shared market. If PT. Tiphone Mobile Indonesia, Tbk is not able to anticipate this challenge, the company will then lose its competitive advantage.

In addition, based on the weaknesses and threats facing the company, we give advice to win the competition, that are: Try to make arrangements with manufacturers in China to share profits and supervise production of smartphones at its factory in China. Create an official social media account to open marketing channels or services via social media. In addition, it can also develop marketing patterns and services through social media. Creating infrastructure standard in each outlet which are spread across Indonesia, so it is standardized in terms of infrastructure and in terms of service processes and products available. Make adjustments on foreign products coming into Indonesia which is expected to be able to develop new smartphone products in Indonesia or create a local smartphone to meet the campaign "I love Indonesian

products". Make business adjustments to cope with the high minimum wage in Indonesia. Perform a child friendly gadget program through educational activities to the community, or create a "healthy gadget" program. Conduct actions to overcome plagiarism either legally, or through other approaches. Plan the supply of products so as not to be hindered by high rainfall forecasting so that the stock and distribution of goods are not disturbed. Develop more environmentally friendly simcard and mobile products to overcome the scarcity of gold which might occur in the future.

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Financial Performance Table

LIQUIDITY RATIO

Ratio/Year	2015	2016	Increase/Decrease (%)
Current Ratio	506%	599%	Increasing 18,38%
Quick Acid Ratio	355.69%	365.96%	Increasing 2,89%
Cash Ratio	93.32%	85.61%	Decreasing 8.62%
Cash Turnover	18.79	25.57	Increasing 36,08%
Inventory to Net Working Capital	37.08%	46.69%	Increasing 25,91%

LEVERAGE RATIO

Ratio/Year	2015	2016	Increase/Decrease (%)
Debt to Asset Ratio	60.51%	60.98%	Increasing 0,78%
Debt to Equity Ratio	153.20%	156.30%	Increasing 2,02%
Long-term Debt to Equity Ratio	108.56%	117.38%	Increasing 8,09%

ACTIVITY RATIO

Ratio/Year	2015	2016	Increase/Decrease (%)
Receivable Turnover	14.35	12.94	Decreasing 9,83%
Inventory Turnover	11.64	9.40	Decreasing 19,24%
Working Capital Turnover	4.32	4.39	Increasing 1,62%
Fixed Assets Turnover	28.82	36.76	Increasing 27,55%
Total Assets Turnover	3.09	3.32	Increasing 7,44%

PROFITABILITY RATIO

Ratio/Year	2015	2016	Increase/Decrease (%)
Gross Profit Margin	5.48%	5.79%	Increasing 5,66%
Return on Investment	5.20%	5.71%	Increasing 5,81%
Return on Equity	13.16%	14.63%	Increasing 11,17%
Earnings per Share	52	66	Increasing 26.92%
Net Profit Margin	1.68%	1.72%	Increasing 2,38%

BOOK TO MARKET RATIO

Ratio/Year	2015	2016	Increase/Decrease (%)
Price Earning Ratio	14.62	12.95	Decreasing 11,42%

GROWTH RATIO

Ratio/ Year	2015	2016
Sales	51.06%	23.91%
Net Income	19.21%	26.50%
Earning per Share	1.96%	26.92%
Dividend per Share	0.00%	36.00%

## Appendix

**IFAS Table of PT Tiphone Mobile Indonesia, Tbk**

Internal Strategic Factors	Weight	Rating	Score	Information
<b>A. Strength</b>				
Good quality, modern, and up to date product (S1)	0.2	5	1	Product sold come from famous brands
Outlet are widespread throughout Indonesia (S2)	0.2	5	1	Has 250.000 active sellers, 400 outlet/stores, 200 branches, and 96 service points
Using one stop shopping concept (S3)	0.05	5	1	All telecommunication equipment needs are in one place.
Integrated Management Information System (S4)	0.05	3	0.15	Company's information system is in the form of a report and centralized troughout the region
Good capital structure (S5)	0.2	3	0.15	Company gets capital from four biggest shareholder
<b>B. Weakness</b>				
No specific arguments with manufacturers in China (W1)	0.06	2	0.12	Company does not have its own factory for production Tiphone mobile phone
Don't have an official social media account (W2)	0.1	2	0.2	Company does not maximize the role of social media today
Uneven outlet infrastructure (W3)	0.1	2	0.02	different outlet in every location
Low control over Tiphone mobile phone production activity (W4)	0.04	3	0.12	Company does not have full power to control production of its mobile phone
<b>TOTAL</b>	<b>1,00</b>		<b>3.76</b>	

**EFAS Table of PT Tiphone Mobile Indonesia, Tbk**

External Strategic Factors	Weight	Rating	Score	Information
<b>A. Opportunity</b>				
Repatriation of Tax Amnesty Proceeds (O1)	0.05	3	0.15	Give positive impact of economic growth
Government regulation on interest rate reduction (O2)	0.07	4	0.28	Decreasing interest rate that affect the economic growth of the state
Package of President Economic Policy volume I – XIV year 2015 - 2016 (O3)	0.07	3	0.21	Stabilize economic condition and increase investment and economic growth
Lifestyle of urban people who always use smartphone (O4)	0.04	3	0.12	Causing dependence on smartphone usage
Habbit of read news through smartphone (O5)	0.04	3	0.12	Makes people more need smartphone
Number of productive age in Indonesia (O6)	0.05	4	0.2	Productive ages produces competent worker
Half of Indonesian population is under 30 years (O7)	0.04	3	0.12	Most smartphone user are under 30 years old

Useful CSR programs (O8)	0.05	4	0.2	By implementing CSR, company can be assessed good moral
Higher life expectancy (O9)	0.05	3	0.15	Higher life expectancy made people follow the technological development longer
Lack of confidence in the quality of domestic product (O10)	0.03	3	0.09	Increasing sells of foreign products
Existence of intellectual property rights (O11)	0.05	4	0.2	Company patent right are protected
Fast smartphone innovation (O12)	0.05	3	0.15	Company able to meet market demand for new smartphone
Preservation if the environment on the renewable resources (O13)	0.04	3	0.12	Company does not have to worry about getting rid of raw materials such as cardboard for packaging, paper, and others
Acquisition of HTC by Google (O14)	0.05	3	0.15	Google expanding its marketplace and it's a threat to android smartphones because it has to compete with google
B. Threat				
Trade Law (Law No. 7 Year 2014) on protectionism (T1)	0.06	3	0.18	Inhibits foreign products to enter Indonesia territory
High minimum wage (T2)	0.06	3	0.18	Increasing company cost
Lifestyles of children who have been using gadgets since childhood (T3)	0.04	2	0.08	Can be bad risk to the health and development of children
Campaign "I love Indonesian Product" (T4)	0.04	2	0.08	Can increase confident and love of domestic products
Threat of plagiarism over the patents of the company (T5)	0.04	3	0.12	If not alerts, competitors can easily find loopholes to mimic the activities of the company
High rainfall forecast (T6)	0.04	2	0.08	High rainfall can disrupt the distribution of goods
Number of gold usage on simcard and cellphones (T7)	0.04	2	0.08	Caused the gold increasingly reduced and scarce so that gold price higher
<b>TOTAL</b>	<b>1,00</b>		<b>3,06</b>	